

An abstract graphic at the top of the page consists of overlapping, flowing shapes in shades of blue and purple, creating a sense of movement and depth.

# Compensation report

55	Letter to the shareholders
56	Compensation governance and principles
59	Compensation architecture for the CEO and Executive Committee members
70	Compensation of the Executive Committee for 2024
75	Compensation architecture for the Board of Directors
77	Compensation of the Board of Directors for 2024
80	Auditor's report

# Paying for sustainable performance

Winterthur, February 27, 2025

Dear Shareholder,

On behalf of the Board of Directors and of the Remuneration Committee (RC), I am pleased to present the 2024 Compensation Report.

This past year marked the inaugural phase of our strategic implementation following the strategy review conducted in 2023.

I am delighted to report that the company's continued excellent performance has exceeded the strong growth in 2023 and reached our ambitious, increased goal. In 2024, we set a record for profitability and increased the value created for our customers and society. We are pleased to have been recognized by the capital markets and to have been able to deliver impressive value to our esteemed shareholders.

In 2024, our board members formed a cohesive and impactful team to accompany and guide the implementation of the Sulzer 2028 strategy. Our Executive Committee was further developed and strengthened by capable global leaders who were internally tested.

The compensation paid to the Board of Directors in 2024 was below the amounts previously approved by the AGM for the period in question. The total compensation paid to the Executive Committee for 2024 was entirely within the maximum compensation approved by the AGM 2023.

Given our continued excellent performance in 2024, fueled by our ambition for growth and excellence in challenging market conditions, we must ensure that our Board and Executive Committee are compensated consistently with company performance, evolving market practices, enabling business strategy and shareholder value creation. For this purpose, I led the remuneration committee in conducting a systematic compensation system review with the support of multiple reputable external subject matter experts. The comprehensive review of our compensation system has allowed us to continuously benchmark with relevant peers in our growth journey to strengthen our remuneration framework, ensuring it consistently reflects and upholds our compensation principles detailed in this report.

Another high-performing year has validated our strategy and its execution, pointing Sulzer toward a prosperous future. On behalf of Sulzer, the Board of Directors and the Remuneration Committee, I thank you for your continued trust in our company.

Yours Sincerely,



Dr. Hariolf Kottmann  
Chairman  
Remuneration Committee

# Compensation governance and principles

Compensation policies and plans at Sulzer reward performance, sustainable growth and long-term shareholder value creation. The compensation programs are competitive, internally equitable, straightforward and transparent. The compensation report is prepared in accordance with the Articles 732 et seqq. of the Swiss Code of Obligations (CO), the SIX Swiss Exchange Directive on Information relating to Corporate Governance (RLCG) and the principles of the Swiss Code of Best Practice for Corporate Governance.

## Remuneration Committee

The [Articles of Association](#), the [Board of Directors and Organization Regulations](#), and the [Remuneration Committee Regulations](#) define the functions of the Remuneration Committee (RC). The RC supports the Board of Directors in establishing and reviewing the compensation strategy and principles, and in preparing the proposals for the Shareholders' Meeting.

The RC is responsible for the activities outlined below and submits proposals to the Board of Directors, which makes the final decisions. For the CEO, the Lead Independent Director performs these tasks in close consultation with the Chair of the RC.

- Regular review of the compensation policies and programs
- Setting performance targets for Executive Committee members for incentive plans
- Preparing proposals for the Shareholders' Meeting on the maximum aggregate amounts of compensation for the Board of Directors and for the Executive Committee
- Setting target compensation for Executive Committee members
- Preparing the compensation report

### Stakeholder level of authority

	<b>RC</b>	<b>Board</b>	<b>Shareholders Meeting</b>
Compensation policies and programs	proposes	approves	
Maximum aggregate compensation amounts for the Board of Directors and Executive Committee	proposes	reviews	approves (binding vote)
Remuneration system and Board member fees	proposes	approves	
Compensation of the Executive Committee members	reviews	approves	
Performance objectives and assessment for Executive Committee members	reviews	approves	
Compensation report	proposes	approves	consultative (advisory vote)

As stated by Sulzer Ltd's Remuneration Committee Regulations, the RC has at least three members elected annually by the Shareholders' Meeting until the next AGM. Most members are non-executive and independent. At the 2024 AGM, Alexey Moskov, Markus Kammüller and Dr. Hariolf Kottmann were re-elected to the RC.

The RC meets as needed, but at least twice a year. In 2024, it held four meetings. This year's agenda topics are included in the following table.

**Meeting Topics Discussed**

Meeting	Topics
January	Short Term and Long Term Incentive performance review
	Compensation report
	Max. aggregate Board of Directors and Executive Committee
July & September	Compensation benchmark review
	Compensation policies and programs review
December	Short Term and Long Term Incentive performance forecast
	Compensation report skeleton

The CEO, Chief Human Resources Officer and Secretary of the Board (who also serves as the RC Secretary) usually attend the meetings. The Committee Chair may invite other executives for advisory purposes when needed. However, the CEO and other executives do not participate when their own remuneration or performance is discussed.

The RC Chair reports to the full Board on the Committee’s activities and discussions. The Chair also submits proposals for Board approval as necessary. All Board members have access to the RC meeting minutes.

The RC retained HCM International to analyze benchmarks for the Board of Directors and the Executive Committee. They also retained hkp///group for compensation report advice. Neither were awarded additional mandates.

**Shareholders’ role and engagement**

The company values shareholders’ feedback on compensation policies and has held advisory votes on the compensation report since 2011. It also regularly meets with shareholders to understand their perspectives. At the 2024 AGM, shareholders approved the maximum aggregate compensation for the Board for the 2024/25 term and for the Executive Committee for 2025.

Additionally, the [Articles of Association](#), approved by shareholders, govern the principles of compensation.

**Extract from the Articles of Association related to compensation**

Article 31	Non-executive members of the Board of Directors receive only a fixed compensation. Members of the Executive Committee receive both fixed and variable compensation components that are based on their performance. Their compensation can be paid in cash, shares, options or other forms.
Article 29	The Shareholders’ Meeting approves the maximum aggregate amount of compensation for the Board of Directors for the next term of office and the maximum aggregate amount of compensation for the Executive Committee for the following financial year. The Board of Directors submits the annual compensation report to an advisory vote at the AGM.
Article 30	In the event that a member of the Executive Committee is appointed after the AGM and the approved maximum compensation is not sufficient for his/her compensation, a supplementary amount of up to 40% of the last approved maximum compensation can be used without further approval by the AGM.
Article 32	Fixed-term employment agreements have a maximum duration of one year and can be renewed. Permanent employment agreements have a maximum termination notice period of twelve months. Non-compete agreements for the period after termination of an employment agreement are permissible. They are limited to one year. The consideration does not exceed the last total annual target compensation to which the member was entitled prior to termination. Furthermore, it should not exceed the average compensation of the last three financial years.
Article 34	The company is not allowed to grant loans or credits to members of the Board of Directors or the Executive Committee.

## Activities in other organizations

According to Article 734e of the Swiss Code of Obligations, the compensation report must detail the external mandates of Board of Directors and Executive Committee members in other enterprises with an economic purpose (as defined in Article 626 para. 2 no. 1 of the Swiss Code of Obligations). The table below lists the entities and the functions held.

### Other functions of the members of the Board of Directors and the Executive Committee

Member	Name of company	Function	2024	2023
Dr. Suzanne Thoma	Beckers Group, Germany	Non-executive member of the Board of Directors	x	x
	BayWa r.e., Germany	Non-executive member of the Board of Directors	x	x
Markus Kammüller	ExecDelta GmbH, Switzerland	Sole Partner	x	x
	Gonset Holding SA, Switzerland	President of the Board of Directors	x	
	Gonset Immeubles d'Entreprises SA, Switzerland	Vice-Chair of the Board of Directors		x
	Gonset Immeubles d'Entreprises SA, Switzerland	President of the Board of Directors	x	
David Metzger	Swiss Steel Holding AG, Switzerland	Vice-Chair of the Board of Directors		x
	Swiss Steel Holding AG, Switzerland	Non-executive member of the Board of Directors	x	x
	medmix AG, Switzerland	Non-executive member of the Board of Directors	x	x
	Mealda Capital GmbH, Switzerland	Sole Partner	x	x
Alexey Moskov	Sopeli Capital GmbH, Switzerland	Sole Partner	x	x
	OC Oerlikon Corporation AG, Switzerland	Sole Partner	x	x
	OC Oerlikon Corporation AG, Switzerland	Non-executive member of the Board of Directors	x	x
Dr. Prisca Havranek-Kosicek	Witel AG, Switzerland	Member of the Board of Directors	x	x
	Liwet Holding AG, Switzerland	President of the Board of Directors	x	x
Dr. Hariolf Kottmann	A2-Link AG, Switzerland	Sole Board Member	x	x
	Jenoptik AG, Germany	Chief Financial Officer	x	x
	Jenoptik North America Inc., United States of America	Director	x	x
Per Utnegaard	Plansee Holding, Austria	Member of the Board of Directors	x	x
	HK1 AG, Switzerland	Sole member of the Board of Directors	x	x
	Kiingle AG, Switzerland	Member of the Board of Directors	x	
Tim Schulten	Saudi Ground Services, Saudi Arabia	Non-executive member of the Board of Directors	x	x
	Alvest Holding, France	Non-executive Director	x	x
	Per Utneegard & Partners GmbH, Switzerland	Sole Partner	x	x
Jan Lüder	JCB Group Holdings Sàrl, Switzerland	Director	x	x
	Wealth Minerals Ltd, Canada	Member of the Advisory Board	x	

In each individual case, the number of mandates does not exceed the maximum number of external mandates specified in Article 33 of the Articles of Association.

# Compensation architecture for the CEO and members of the Executive Committee

## Compensation principles

The Executive Committee's compensation is based on the principle of pay-for-performance. The policy rewards performance, sustainable growth and long-term shareholder value, while offering fair and competitive pay to attract and retain top talent.

### Compensation principles

Principle	Description
Pay-for-performance	A substantial portion of the compensation is delivered in the form of variable incentives based on company and individual performance.
Strategy alignment	The performance criteria are selected to create adequate incentives for achieving the operational and strategic objectives.
Ownership	Part of the compensation is delivered in the form of company equity to foster ownership and to align the interests of executives with those of shareholders.
Market competitiveness	Compensation levels are competitive and in line with market practice to attract and retain highly qualified employees.
Internal equity	The internal compensation structure is based on a job-grading methodology applied globally.
Transparency	Compensation programs are straightforward and transparently explained in the compensation report.
Shareholder expectations	Compensation programs are in line with the expectations of shareholders.

## Method of determining compensation: benchmarking

To ensure competitive and market-aligned compensation, the compensation for Board and Executive Committee members is benchmarked against similar roles in comparable companies every one to two years.

The RC regularly reviews the composition of the peer group, which is applied for benchmarking purposes. In 2024, the RC revised the approach to get a broader peer group with a focus on governance landscape, industry and size effects to determine a fitting peer group for compensation benchmarks. The process of definition was undertaken in four major steps to narrow down the peer group:

### Selection process of peer companies for compensation benchmarks

Step	Action	Description
Step 1:	Check for regulatory and governance landscape	Swiss Performance Index (SPI) companies (excl. Sulzer)
Step 2:	Check for industry affiliation	Industrials and Materials with selected Technology and Equipment industries < Half the size of Sulzer SULZER
Step 3:	Check for size comparability	> 2.5 times the size of Sulzer
Step 4:	Check for business complexity and international footprint	Manual check to exclude companies that are less comparable to Sulzer in terms of business complexity, international footprint and growth ambition.

The revised comparison group reflects Sulzer’s ambitious business strategy.

**Benchmarking Peer Group 2024 <sup>1</sup>**

ALCON	AMS	Bucher	Clariant	dormakaba
Geberit	Georg Fischer	Givaudan	Implenia	Landis+Gyr
Logitech	Lonza	Oerlikon	SGS	SIG
SIKA	Straumann	Sonova	Swiss Steel	

1) Compared to the previously applicable peer group, ALSO, Forbo, Galenica and Schindler are no longer included as benchmark reference peer companies.

The intention is to pay target compensation in line with the relevant market. Nevertheless, compensation is not granted based on benchmark results alone. The role, responsibility and experience, as well as the difference between a new entrant to a role and someone with experience who has already demonstrated his or her impact in a similar role, are also criteria in determining compensation. A globally applied job-grading methodology fosters internal equity.

## Compensation elements for the members of the Executive Committee

The Executive Committee's compensation includes fixed, performance-independent elements to provide secure income and prevent unreasonable risks. The RC reviews this compensation annually and, if needed, proposes adjustments for Board approval. To create reasonable incentives, align interests with shareholders, ensure pay-for-performance, and implement the company's strategy, the compensation also includes short- and long-term performance-dependent elements.

### Overview of Compensation Components

Components	Description	Link to principles	Percentage of total compensation of the CEO				
<b>Fixed compensation</b>							
Base Salary	Fixed cash compensation paid in equal monthly installments	Offering a market-compatible compensation	35% of compensation				
Benefits	Pension and social security contributions as well as fringe benefits						
<b>Variable Compensation</b>							
Variable Compensation	Term	Performance Indicators	Target Amount / Grant Value	Maximum amount	Settlement		Percentage of total compensation of the CEO
Short-term incentive plan (bonus plan)	One year	Operational profit, sales, Operational operating net cash flow	90% of base salary	200% of base salary	In cash	Incentivizing strategic goals and pay-for-performance	32% of compensation
Long-term incentive plan (PSP 2024)	Three years	Operational profit growth, operational return on average capital employed adjusted (ROCEA), Total Shareholder Return	CEO: 1,000,000 CHF, Other members of the Executive Committee: 330,000 to 400,000 CHF	250% of target amount	Performance share units (PSUs) settled in shares	Incentivizing strategic goals, pay-for-performance and company ownership	33% of compensation
<b>Other compensation components</b>							
Share Ownership Guidelines (SOG)	Obligation to privately invest in Sulzer shares and to hold these shares until the end of the service period CEO: 200% of the base salary Other members of the Executive Committee: 100% of the base salary					Ownership	

In line with the pay-for-performance principle, a significant portion of the CEO's compensation (65%) and the Executive Committee's compensation (59%) consists of performance-based variable incentives. The compensation structure also promotes sustainable long-term growth, with long-term variable compensation being the largest portion of the target total compensation



## Base salary

The Board of Directors determines the base salary based on the market value of the position and the incumbent’s qualifications, skills and experience. It is paid in cash. An internal job-grading methodology ensures orientation and promotes internal equity.

## Benefits

Members of the Executive Committee participate in the regular employee pension fund for all Swiss employees. The retirement plan includes a basic plan covering annual earnings up to CHF 152’868 and a supplementary plan for income above this limit, up to the legal ceiling (including variable cash remuneration). Contributions are age-related and shared between the employer and employee.

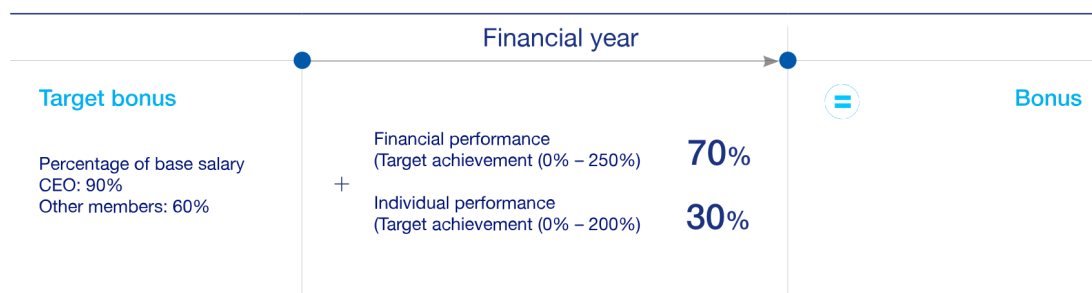
Additionally, each Executive Committee member receives a representation allowance in line with Swiss management expense regulations, approved by tax authorities.

## Short-term incentive plan (bonus plan)

The Short-term Incentive Plan (bonus plan) involves a cash payment after the financial year ends, based on predefined objectives. These objectives measure both financial and individual performance for each Executive Committee member. The target bonus is a percentage of the annual base salary: 90% for the CEO and 60% for other members.

In 2024, the financial targets for the bonus plan were further stretched as we embarked on our Sulzer 2028 journey. As a result, achieving these targets became more challenging. To ensure fairness and align with the pay-for-performance principle, the Board approved an increase in the maximum target achievement to 250%.

### Functionality of the bonus plan



The performance is assessed based on the following appraisal process:

**Performance appraisal**

Step	Action	Description
Step 1:	Target setting	Definition of two to four individual performance objectives at the beginning of the year
Step 2:	Performance assessment	Performance assessment at the end of the year
Step 3:	Compensation determination	Determination of incentive payouts on the basis of the company's or division's performance and achievement of the individual objectives

For all Executive Committee members, the bonus plan objectives are divided into two categories: "Financial performance" and "Individual performance." The objectives and targets for 2024 are as follows:

**Target Setting**

Category	Objectives	Target	Weighting
Financial performance	Operational profitability	Measure of profitability (bottom line)	25%
	Sales	Measure of growth (top line)	25%
	Operational operating net cash flow (operational ONCF)	Measure of cash generated	20%
Individual performance	Sulzer Excellence	Objectives that increase efficiency, reduce unnecessary complexity and drive cross-functional collaboration resulting in advanced competitiveness and profitability.	10%
	Sulzer 2028	Objectives that contribute to the ambition of being a top industrial company with future-proof, differentiated, high-quality businesses.	10%
	Sustainable Sulzer	Objectives linked to harvesting opportunities that promote sustainable resource usage, energy transition and organic growth and/or risk mitigation and compliance. Initiatives related to Safety & Health (well-being self, colleagues and community) and a diverse workplace may also be considered	10%

The objectives for the bonus plan are linked to Sulzer's strategic goal of promoting the sustainable and profitable growth of the company. They are chosen to provide different incentives for growth and shareholder value creation.

**Strategic link of bonus plan**

Objective	Growth	Profitability	Long-term shareholder-value creation
Bonus plan	✓	✓	✓
Operational profit		✓	
Sales	✓		
Operational ONCF			✓
Sulzer Excellence		✓	
Sulzer 2028	✓	✓	
Sustainable Sulzer	✓	✓	✓

**Target achievement under the bonus plan**

For each financial objective, parameters are set in advance. An expected performance level (“target”) results in a 100% payout factor. A minimum performance level (“threshold”) is defined, below which the payout factor is zero, and a maximum performance level (“cap”) is set, above which the payout factor is capped. The payout factor is interpolated linearly between the threshold and target, and between the target and cap.

The CEO’s financial objectives are measured 100% based on Sulzer group results. For Division Presidents, 70% is based on Sulzer group results and 30% on their respective divisional results.

Aligned with Sulzer 2028 ambition, each Executive Committee member receives personal objectives in three performance categories: “Sulzer Excellence,” “Sulzer 2028” and “Sustainable Sulzer” at the start of the financial year. The CEO reviews the individual performance of each Executive Committee member based on their personal objectives, and this review is then evaluated by the RC. The Lead Independent Director, in close consultation with the Chair of the RC, assesses the CEO’s individual performance.

A payout factor is determined for each objective based on actual performance. The weighted average of these payout factors is multiplied by the target bonus amount to calculate the actual bonus, which is paid out in March of the following year.

Sulzer strives for transparency in relation to pay-for-performance. To ensure transparency while avoiding competitive risk, Sulzer provides a general performance assessment for each financial objective as well as the aggregated individual performance at the end of the performance cycle.

In 2024, the bonus plan target achievement for the financial performance was as follows:

#### Bonus plan target achievement

Objectives	Target achievement (Payout factor)
Operational profitability	140%
Sales	145%
Operational operating net cash flow (operational ONCF)	172%

For 2024, the financial component of the bonus averaged at 153% and the individual performance averaged at 144%.

Overall, the combined financial and individual performance resulted in a bonus payout factor ranging from 137% to 166% (average 153%) for Executive Committee members.

## Performance share plan (PSP)

The Performance Share Plan (PSP) incentivizes long-term shareholder value by granting performance share units (PSUs) to Executive Committee members. PSUs are conditional rights to company shares, subject to ongoing employment and achieving strategic/financial targets at the Group level over a three-year period.

The PSP aligns participants' interests with shareholders by delivering a substantial portion of compensation as company equity. This supports Sulzer's focus on pay-for-performance, sustainable growth, and employee retention. It is a fair and attractive element of long-term variable remuneration for key management, emphasizing excellent, sustainable performance.

The PSP, with annual grants, is available exclusively to Executive Committee and Sulzer Management Team (SMT) members. The number of PSUs granted is calculated by dividing the grant value by the three-month volume-weighted average share price before the grant date (units prorated based on employment entry date). The grant value is determined by the executive's role level and amounts to:

- Chief Executive Officer: CHF 1'000'000
- Members of the Executive Committee: CHF 330'000 – CHF 400'000 (determined by the Board of Directors)

The following table outlines the performance criteria.

**Key performance criteria measured over the three-year performance period of the PSUs**

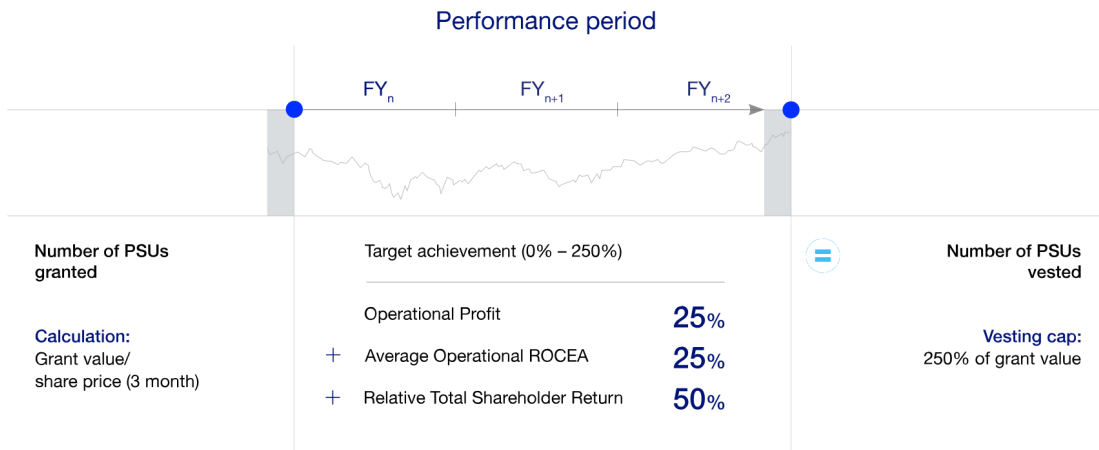
Operational Profit	Absolute Operational Profit growth before restructuring, amortization, impairments and non-operational items is an absolute value reflecting the planned value in the last year of the performance period.
Average Operational ROCEA	Average operational return on capital employed (operational ROCEA) is the sum of adjusted operational return on capital employed (operational ROCE) based on audited figures in each fiscal year of the performance period, divided by the number of such years.
Relative Total Shareholder Return	Relative Total Shareholder Return (TSR) is defined as share price growth plus dividends during the vesting period by the ending share price, measured against peers.

The PSP objectives are aligned with Sulzer’s strategic goal of promoting sustainable and profitable growth. They are designed to incentivize growth and create shareholder value.

**Strategic link of PSP**

	Growth	Profitability	Long-term shareholder value creation
PSP	✓	✓	✓
Operational profit growth	✓	✓	✓
Operational ROCEA		✓	
Relative TSR	✓	✓	✓

**Functioning of the PSP Performance at a glance**

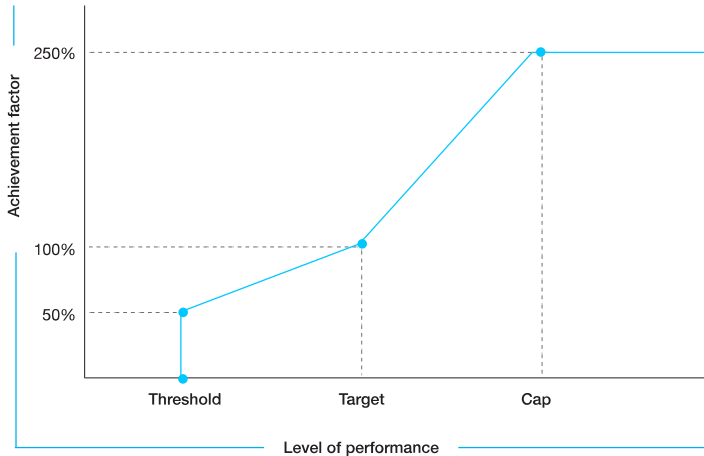


**Target achievement under the Performance Share Plan**

For each PSP performance condition, an expected performance level (“target”) is defined, resulting in a 100% payout factor. A minimum performance level (“threshold”) is set, below which the payout factor is zero, and a maximum level (“cap”) is set, capping the payout factor at 250%. The payout factor is interpolated linearly between the threshold and target, and between the target and cap.

Sulzer aims for transparency in pay-for-performance and discloses all relevant information that does not pose strategic disadvantages. The target achievement can be illustrated in a target achievement curve as follows:

**Target achievement curve of the PSP performance conditions**



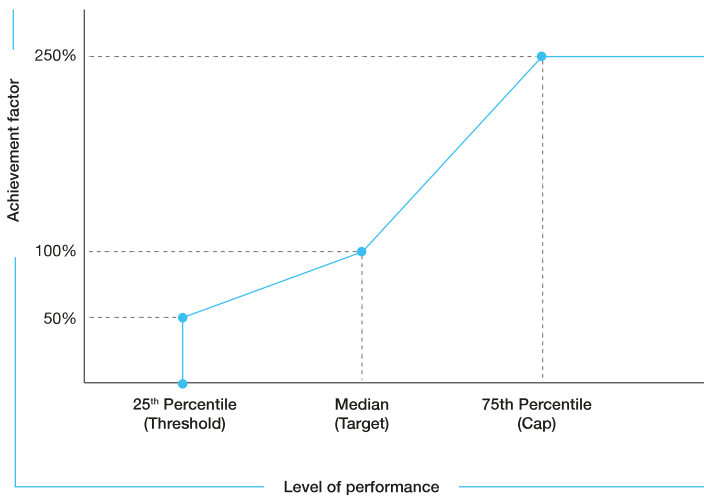
**Relative total shareholder return (TSR) target achievement**

Relative total shareholder return (TSR) is measured based on the performance against a predefined peer group of international peers, measured as a percentile ranking, aligned with the target achievement curve as follows:

- Threshold: 25th percentile ranking
- Target: median ranking
- Outperformance (cap): 75th percentile ranking

The target achievement curve of the relative TSR can be illustrated as follows:

**Target achievement curve of the relative TSR**



The current peer group for the measurement of the relative TSR consists of the following companies:

#### Peer group for relative TSR performance of PSP 2024

Andritz	Burckhardt Compression	Ebara	Flowserve	Georg Fischer
ITT	OC Oerlikon	Pentair	Wood Group	Xylem

The Board of Directors can change the peer group composition if necessary, such as in cases of mergers, acquisitions, delistings or significant business changes in a peer company. In such situations, the Board will select new peer companies from a predefined successor list.

## Financial objectives target achievement

To ensure transparency while avoiding competitive risk, Sulzer provides a general performance assessment for each criterion at the end of the performance cycle. The PSP framework, eligibility and grant entitlement remained unchanged in 2024, except for specific performance targets for each grant cycle.

## PSP 2022 performance

Over the past three years, Sulzer significantly grew its operational profit through the Sulzer 2028 ambition and leveraged strong market momentum in 2024. This performance resulted in an achievement factor of 250% compared to the original PSP target set by the Board.

Operational ROCEA also achieved a factor of 250%, thanks to continuous profitability improvements and better capital management through the Sulzer 2028 ambition.

With Sulzer's share price in the 75th percentile compared to international peers, the relative TSR achieved a factor of 250%, resulting in a total payout factor of 250% for PSP 2022, subject to the original grant value cap.

#### PSP target achievement

Objectives	Target achievement (Payout factor)
Operational profit growth	250%
Operational ROCEA	250%
Relative TSR	250%

Overall, the PSP vesting levels accurately reflected operational performance, including against direct peers, over their respective three-year cycles. The success of the Sulzer 2028 ambition ensured a strong link between sustainable company performance and competitive long-term incentive payouts.

## Vesting of PSUs under the Performance Share Plan

On the vesting date, the number of vested PSUs is calculated by multiplying the initial PSUs granted by the weighted average achievement factor of each performance condition. Each vested PSU results in one Sulzer share for the participant.

While performance assessment affects the number of vested PSUs and shares delivered, the share value may also increase over the three-year period, impacting the total value delivered. Therefore, the number of vested PSUs is capped at 250% of the original grant value. After applying this cap, the overall payout factor for PSP 2022 is reduced to 147%.

In the event of termination of employment, the following provisions apply:

### Provisions by the event of termination

Type of termination	Provision
By the employer for cause	Unvested PSUs are forfeited.
As a result of retirement	Vesting and performance measurement of PSUs continues according to plan, no early allocation of the shares.
Any other reason	The number of unvested PSUs vest on pro rata basis (number of calendar days between grant date and termination date) according to the achievement factor at the end of the vesting period. There is no early allocation of the shares.

In the event of an Executive Committee member's death, pro-rated PSUs will vest immediately, pending a performance assessment by the Board of Directors. If a change of control occurs, PSUs will also vest immediately, subject to the Board's performance assessment. The Board may opt for a cash settlement of the awards in such cases.



# Compensation of the Executive Committee for 2024

## Compensation of the Executive Committee: overview

As part of the regular review of the Executive Committee's compensation, the compensation levels for all members of the Executive Committee were increased slightly in 2024 to ensure competitiveness of the compensation.

Our excellent performance in 2023, coupled with our ambition for growth and excellence through our Sulzer 2028 strategy, required the Executive Committee to be compensated in a way that both rewards and stimulates growth and value creation for the shareholders. This included reflecting on growing roles and responsibilities and individual performance as well as evolving market trends, consistent with company performance.

In 2024, the Executive Committee received a total compensation of kCHF 12'548 (down from kCHF 13'808 the previous year). This included kCHF 7'086 in base salary and bonus (previous year: kCHF 8'599), kCHF 3'850 in PSUs (previous year: kCHF 3'231), kCHF 1'591 in pension and social security contributions (previous year: kCHF 1'892), and kCHF 21 in other payments (previous year: kCHF 86).

## Compensation of the Executive Committee

	2024						
	Cash compensation					Deferred compensation based on future performance	
thousands of CHF	Base salary	Bonus <sup>1)</sup>	Other <sup>2)</sup>	Pension and social security contributions <sup>3)</sup>	Total cash-based compensation	Estimated value of share-based grant under the performance share plan (PSP) <sup>4)</sup>	Total (incl. conditional share-based grant)
Highest single compensation, Suzanne Thoma, CEO	1'050	1'566	-	427	3'043	1'318	4'361
<b>Total Executive Committee</b>	<b>3'405</b>	<b>3'681</b>	<b>21</b>	<b>1'591</b>	<b>8'698</b>	<b>3'850</b>	<b>12'548</b>

1) Expected bonus for the performance year 2024, to be paid out in the following year (accrual principle).

2) Other consists of tax services and relocation costs.

3) Includes the employer contribution to social security (including the expected employer contributions on equity awards), based on the fair value of all grants made in 2024 (PSP).

4) Represents the full fair value of the PSUs granted under the PSP in 2024. PSUs granted in 2024 had a fair value of CHF 125.65 at grant date, based on a third-party fair value calculation. While the share price to convert the grant value into a number of granted PSUs is based on the three-month weighted average share price before the grant date (CHF 95.33 per PSU for 2024 grants), the disclosed fair values are calculated on the grant dates by using market value approaches, which typically leads to differences between the original grant value according to the compensation architecture and the disclosed fair market values.

2023

thousands of CHF	Cash compensation				Deferred compensation based on future performance		
	Base salary	Bonus <sup>2)</sup>	Other <sup>3)</sup>	Pension and social security contributions <sup>4)</sup>	Total cash-based compensation	Estimated value of share-based grant under the performance share plan (PSP) <sup>5)</sup>	Total (incl. conditional share-based grant)
Highest single compensation, Suzanne Thoma, CEO	950	1'314	-	395	2'659	1'129	3'788
Total Executive Committee <sup>1)</sup>	4'201	4'398	86	1'892	10'577	3'231	13'808

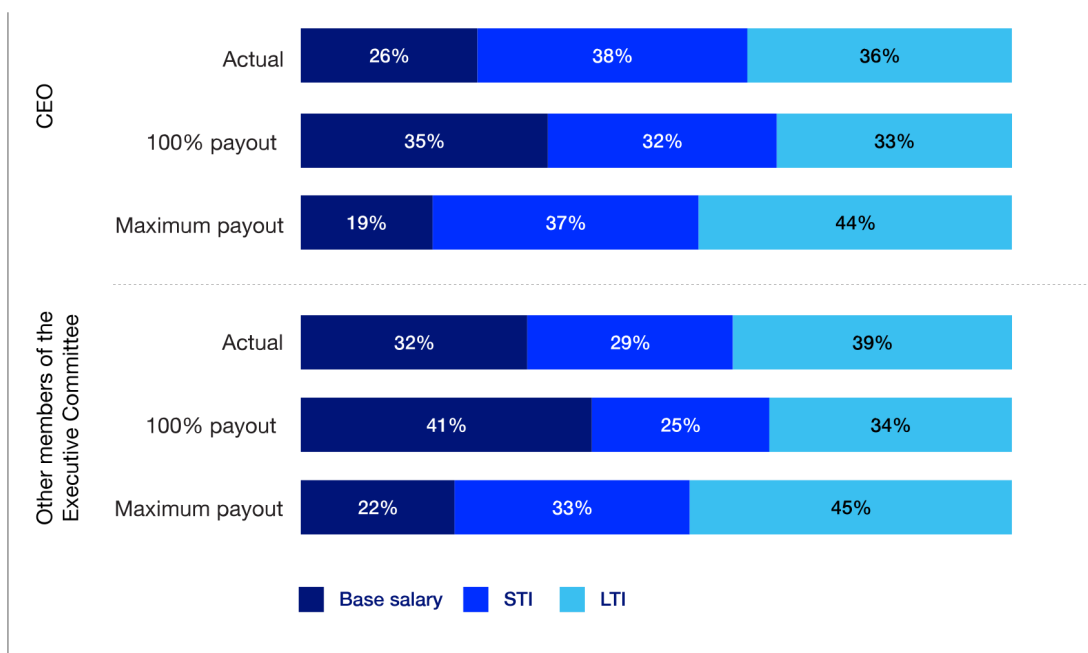
- 1) Out of the total sum, kCHF 1'827 was paid to one former member of the Executive Committee, Frédéric Lalanne, former CEO. In 2023, no other payments to former members of the Executive Committee were made.
- 2) Expected bonus for the performance years 2023, to be paid out in the following year (accrual principle).
- 3) Other consists of schooling allowances and tax services.
- 4) Includes the employer contribution to social security (including the expected employer contributions on equity awards), based on the fair value of all grants made in 2023 (PSP).
- 5) Represents the full fair value of the PSUs granted under the PSP in 2023. PSUs granted in 2023 had a fair value of CHF 88.38 at grant date, based on a third-party fair value calculation. While the share price to convert the grant value into a number of granted PSUs is based on the three-month weighted average share price before the grant date (CHF 78.26 per PSU for April 2023 grants), the disclosed fair values are calculated on the grant dates by using market value approaches, which typically leads to differences between the original grant value according to the compensation architecture and the disclosed fair market values.

The Executive Committee’s total compensation in 2024 decreased by 8% from the previous year, primarily due to discontinued payments to former EC members.

The total compensation of kCHF 12'548 awarded to the Executive Committee members for 2024 is within the maximum aggregate amount of kCHF 16'500 approved by shareholders at the 2023 AGM. No severance payments were issued to Executive Committee members in the current or prior year. Additionally, no compensation was granted to any related parties of the Executive Committee members in either year.

As of December 31, 2024, and December 31, 2023, there were no outstanding loans or credits granted to Executive Committee members, former members or related parties.

Compensation for the Executive Committee: pay-for-performance assessment



Over the past three years, Sulzer has enhanced its sales, operational profitability and operational net cash flow through the Sulzer 2028 ambition. In 2024, we stretched our targets and were still able to deliver another high-performing year. In line with our pay-for-performance principle, this resulted in a proportionate variable compensation payout.

This pay-for-performance relationship underscores Sulzer's high-performance orientation and highlights the company's strong emphasis on aligning the interests of the Executive Committee with those of the shareholders to create long-term shareholder value and profitable growth.

## Malus and clawback

The Board of Directors may determine that variable compensation is forfeited in full or in part (malus) or that a vested award will be recovered in full or in part (clawback) in situations of material misstatement of the financial results, an error in assessing a performance condition or in the information or assumptions on which the award was granted or vested, serious reputational damage to the company, gross negligence, or willful misconduct on the part of the participant.

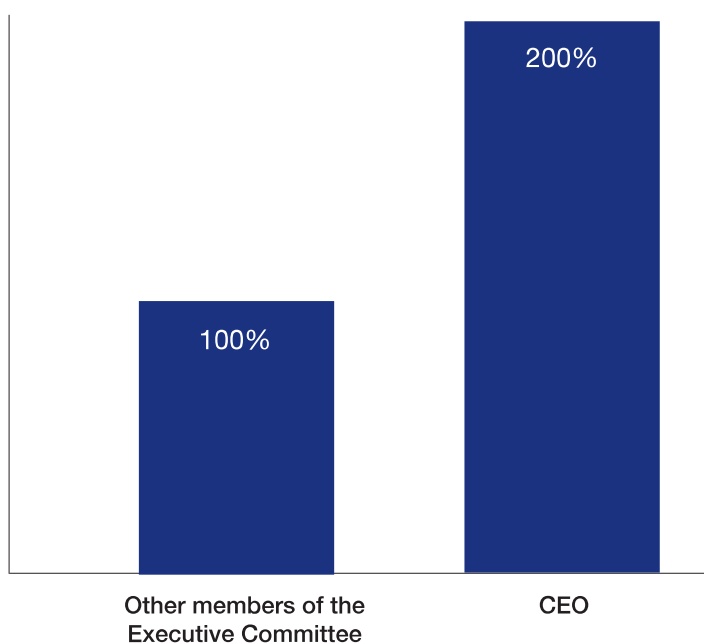
Sulzer may recover in full or in part any variable compensation from Executive Committee members in situations of material misstatement of the financial results, an error in assessing a performance condition or gross misconduct of the participant.

Further information on share-based compensation can be found in [note 31](#) to the consolidated financial statements of Sulzer. In 2024, no malus or clawback were applied.

## Shareholding requirements

Shareholding requirements for members of the Executive Committee were introduced with effect from 2020. According to these share ownership guidelines (SOGs), the members of the Executive Committee are obliged to hold part of their shares until the end of their service period. The value of the shares to be held is set at 200% of the annual gross base salary for the CEO and 100% of the annual gross base salary for the other members of the Executive Committee.

## Shareholding requirements as a percentage of base salary



## Shareholdings of the members of the Executive Committee

As of the end of 2023 and 2024, the members of the Executive Committee held the following shares, share-based instruments or options in the company:

## Shareholdings at December 31, 2024

	2024			
	Sulzer shares	Share units under vesting in equity plan		
	Sulzer shares <sup>1)</sup>	Performance share units (PSU) 2022	Performance share units (PSU) 2023	Performance share units (PSU) 2024
<b>Executive Committee</b>	<b>11'171</b>	<b>14'679</b>	<b>33'865</b>	<b>28'437</b>
Suzanne Thoma, CEO	4'374	2'120	12'778	10'490
Thomas Zickler, CFO	5'697	5'074	5'112	4'196
Haining Auperin, CHRO	-	1'142	4'217	3'462
Tim Schulten, Division President Chemtech	1'100	5'074	5'112	4'196
Jan Lüder, Division President Flow	-	-	5'112	4'196
Ravin Ramsamy, Division President Services	-	1'269	1'534	1'897

1) Total shares in all individual accounts, collected through the Corporate Governance Questionnaire. No related parties own any shares.

## Shareholdings at December 31, 2023

	2023			
	Sulzer shares	Share units under vesting in equity plan		
	Sulzer shares <sup>1)</sup>	Performance share units (PSU) 2021	Performance share units (PSU) 2022	Performance share units (PSU) 2023
<b>Executive Committee</b>	<b>11'114</b>	<b>4'264</b>	<b>14'362</b>	<b>36'548</b>
Suzanne Thoma, CEO	2'559	-	2'120	12'778
Thomas Zickler, CFO	3'402	1'212	5'074	5'112
Haining Auperin, CHRO	5'153	1'364	1'142	4'217
Tim Schulten, Division President Services	-	1'212	5'074	5'112
Jan Lüder, Division President Flow Equipment	-	-	-	5'112
Uwe Boltersdorf, Division President Chemtech	-	476	952	4'217

1) Total shares in all individual accounts, collected through the Corporate Governance Questionnaire. No related parties own any shares.

# Compensation architecture for the Board of Directors

The compensation of the Board of Directors is fixed and does not contain any performance-based variable component. This ensures that the Board of Directors is truly independent in fulfilling its supervisory duties towards the Executive Committee.

The compensation of the Board of Directors is governed by a compensation regulation, is reviewed by the Remuneration Committee (RC) annually and, if necessary, adjusted by a decision of the full Board of Directors based on a proposal by the RC.

The compensation of the Board of Directors consists of a fixed cash component and a restricted share unit (RSU) component with a fixed grant value. Each RSU represents a right to receive a Sulzer share free of charge after a certain period, as further detailed below. Further, Board members are entitled to a lump sum to cover business expenses. The RSU component strengthens the long-term alignment of the interests of the Board members with those of the shareholders. To reinforce the focus of the Board of Directors on the long-term strategy and to strengthen its independence from the Executive Committee, the compensation of the Board of Directors contains no performance-related elements and non-executive Board members are not entitled to pension benefits.

The amount of compensation for the Chairperson and for the other members of the Board of Directors is determined based on the relevant compensation benchmarks. The list of companies is the same peer group as listed under the Compensation benchmark of the members of the Executive Committee (see the Benchmark Peer Group graph in the [Compensation Architecture for the CEO and members of the EC](#) chapter). The compensation reflects the responsibility and complexity of their respective function, the professional and personal requirements placed on them, and the expected time required to fulfill their duties. The ongoing Board compensation structure and amounts are described in the table below:

## Annual compensation of the Board of Directors<sup>1</sup>

in CHF	Cash component (net of social security contributions)	Grant value of RSUs (net of social security contributions)	Lump-sum expenses
Base fee for Board Chair <sup>2)</sup>	420'000		10'000
Base fee for Board Vice Chair	100'000	155'000	5'000
Base fee for Board members	70'000	125'000	5'000
<b>Additional committee fees:</b>			
Audit Committee / Strategy and Sustainability Committee Chair	60'000		
Audit Committee / Strategy and Sustainability Committee members	35'000		
Nomination / Remuneration Committee / Governance Committee Chair	35'000		
Nomination / Remuneration / Governance Committee members	20'000		

1) Compensation for the period of service (from AGM to AGM).

2) The Chair of the Board of Directors does not receive additional remuneration for committee activities.

To align with market practices, the cash component for the Chairperson of the Nomination and Remuneration Committees was adjusted to CHF 35'000 to differentiate their responsibilities from those of other committee members.

Board members are compensated for their service from AGM to AGM. Cash compensation is paid quarterly for Board members and monthly for the Chairperson. The expense lump sum is paid in December, and RSUs are granted annually. The number of RSUs is determined by dividing the fixed grant value by the volume-weighted average share price of the last ten trading days before the grant date, which is the AGM date they were elected. One-third of the RSUs vest on March 25 each year following the grant date, or the next weekday if it falls on a weekend.

Upon vesting, each RSU converts into one company share. The vesting period for RSUs ends when the member steps down from the Board. Although the RSU grant value is fixed at the grant, it fluctuates with the share price during the vesting period, so the value at vesting can differ from the grant value.

# Compensation of the Board of Directors for 2024

## Overview

In 2024, the Board of Directors received total compensation of kCHF 2'349 (up from kCHF 2'283 in the previous year). This included kCHF 1'302 in cash fees (previous year: kCHF 1'231), kCHF 780 in RSUs (same as previous year) and kCHF 267 in social security contributions (previous year: kCHF 272).

The total Board compensation paid in 2024 was 3% higher than in 2023, mainly due to aligning compensation for committee membership. The aggregate Board compensation was below the maximum amount approved at the AGM 2024.

The portion of compensation delivered in RSUs ranged between 74% and 139% of the cash compensation for Board members. The RSUs have a staged three-year vesting period.

## Compensation of the Board of Directors

				2024
thousands of CHF	Cash fees <sup>1)</sup>	Restricted share unit (RSUs) plan <sup>2)</sup>	Social security contributions <sup>3)</sup>	Total
<b>Board of Directors</b>	<b>1'302</b>	<b>780</b>	<b>267</b>	<b>2'349</b>
Suzanne Thoma, Chair of the Board of Directors, Chair of the Strategy & Sustainability Committee and Member of the Nomination Committee	420	-	53	472
Markus Kammüller, Lead Independent Director, Vice-Chair of the Board of Directors, Chair of the Governance Committee, Member of the Remuneration Committee and Member of the Audit Committee	190	155	44	389
Alexey Moskov, Member of the Remuneration Committee	90	125	28	243
David Metzger, Member of the Audit Committee and Member of the Strategy & Sustainability Committee	140	125	34	299
Per Utnegaard, Chair of Nomination Committee and Member of Strategy & Sustainability Committee	136	125	34	295
Hariolf Kottmann, Chair of the Remuneration Committee, Member of Strategy & Sustainability Committee and Member of the Governance Committee	156	125	36	318
Prisca Havranek-Kosicek, Chair of the Audit Committee, Member of Nomination Committee and Member of the Governance Committee	170	125	38	333

1) Disclosed gross.

2) RSU awards granted in 2024 had a fair value of CHF 112.58 at grant date. The amount represents the full fair value of grants made in 2024.

3) The amount includes mandatory social security contributions on the cash fees and estimated contributions on the RSU (based on their fair value at grant) and includes both the employer and employee contributions paid by the company on behalf of the Board members.



	<b>2023</b>			
<b>thousands of CHF</b>	Cash fees <sup>3)</sup>	Restricted share unit (RSUs) plan <sup>4)</sup>	Social security contributions <sup>5)</sup>	Total
<b>Board of Directors</b>	<b>1'231</b>	<b>780</b>	<b>272</b>	<b>2'283</b>
Suzanne Thoma, Chair of the Board of Directors, Chair of the Strategy & Sustainability Committee and Member of the Nomination Committee	420	-	55	475
Markus Kammüller, Lead Independent Director, Vice-Chair of the Board of Directors, Chair of the Governance Committee, Member of the Remuneration Committee and Member of the Audit Committee	174	155	44	373
Alexey Moskov, Member of the Remuneration Committee	90	125	30	245
David Metzger, Member of the Audit Committee and Member of the Strategy & Sustainability Committee	140	125	37	302
Per Utnegaard, Chair of Nomination Committee and Member of Strategy & Sustainability Committee <sup>1)</sup>	94	125	30	249
Hariolf Kottmann, Chair of the Remuneration Committee, Member of Strategy & Sustainability Committee and Member of the Governance Committee <sup>1)</sup>	109	125	32	266
Prisca Havranek-Kosicek, Chair of the Audit Committee, Member of Nomination Committee and Member of the Governance Committee <sup>1)</sup>	128	125	34	287
Hanne Birgitte Breinbjerg Sørensen <sup>2)</sup>	42	-	6	48
Matthias Bichsel <sup>2)</sup>	34	-	4	38

1) Member of the Board of Directors since AGM 2023.

2) Member of the Board of Directors until AGM 2023.

3) Disclosed gross.

4) RSU awards granted in 2023 had a fair value of CHF 77.05 at grant date. The amount represents the full fair value of grants made in 2023. Suzanne Thoma will not receive RSUs while participating in the PSP as CEO.

5) The amount includes mandatory social security contributions on the cash fees and estimated contributions on the RSU (based on their fair value at grant) and includes both the employer and employee contributions paid by the company on behalf of the Board members.

At the 2023 and 2024 AGMs, shareholders approved a maximum aggregate compensation amount of kCHF 2'984 for the Board of Directors. The table below shows the reconciliation between the compensation paid or to be paid for the two periods of office and the maximum amounts approved by the shareholders.

#### Maximum aggregate for the period from AGM to AGM

<b>thousands of CHF</b>	Total compensation earned for the period from AGM to AGM	Amount approved by shareholders at respective AGM	Ratio between compensation earned for the period from AGM to AGM versus amount approved by shareholders
AGM 2024–AGM 2025	2024 AGM to 2025 AGM	2024 AGM	2024 AGM
<b>Board (total)</b>	<b>2'357</b>	<b>2'984</b>	<b>79.0%</b>
AGM 2023–AGM 2024	2023 AGM to 2024 AGM	2023 AGM	2023 AGM
<b>Board (total)</b>	<b>2'339</b>	<b>2'984</b>	<b>78.4%</b>

Note: The table format has changed in line with market practice to simplify the overview of compensation earned with what has been approved.

As of December 31, 2024, and December 31, 2023, no outstanding loans or credits were granted to current or former Board members or related parties.

In both 2024 and 2023, no compensation was granted to former Board members or related parties.

## Shareholdings of the members of the Board of Directors

As of the end of 2024 and 2023, the members of the Board of Directors held the following shares, share-based instruments or options in the company:

### Shareholdings at December 31, 2024

	<b>2024</b>		
	Sulzer shares <sup>1)</sup>	Restricted share units (RSU)	Total share awards and shares
<b>Board of Directors</b>	<b>15'866</b>	<b>16'373</b>	<b>27'865</b>
Suzanne Thoma	4'374	1'071	1'071
Markus Kammüller	1'743	3'255	4'998
Alexey Moskov	3'791	2'731	6'522
David Metzger	3'413	2'731	6'144
Per Utnegaard	1'375	2'195	3'570
Hariolf Kottmann	1'170	2'195	3'365
Prisca Havranek-Kosicek	-	2'195	2'195

1) Total shares in all individual accounts, collected through the Corporate Governance Questionnaire.

### Shareholdings at December 31, 2023

	<b>2023</b>		
	Sulzer shares <sup>1)</sup>	Restricted share units (RSU)	Total share awards and shares
<b>Board of Directors</b>	<b>9'320</b>	<b>17'430</b>	<b>26'750</b>
Suzanne Thoma	2'559	2'886	5'445
Markus Kammüller	536	3'085	3'621
Alexey Moskov <sup>2)</sup>	2'114	3'295	5'409
David Metzger	1'736	3'295	5'031
Per Utnegaard	1'375	1'623	2'998
Hariolf Kottmann	1'000	1'623	2'623
Prisca Havranek-Kosicek	-	1'623	1'623

1) Total shares in all individual accounts, collected through the Corporate Governance Questionnaire.

2) In addition, as collected through the Corporate Governance Questionnaire, Mr. Moskov's related parties own 2'217 Sulzer shares.



# Report of the Statutory Auditor

## To the General Meeting of Sulzer Ltd, Winterthur

### Report on the Audit of the Compensation Report

#### Opinion

We have audited the Compensation Report of Sulzer Ltd (the Company) for the year ended December 31, 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) contained in the sections "[Activities in other organizations](#)", "[Compensation of the Executive Committee](#)", "[Shareholdings of the members of the Executive Committee](#)", "[Compensation of the Board of Directors](#)", "[Maximum aggregate for the period from AGM to AGM](#)" and "[Shareholdings of the members of the Board of Directors](#)" of the Compensation Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying Compensation Report complies with Swiss law and the Company’s articles of incorporation.

#### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibilities for the Audit of the Compensation Report” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the sections “Activities in other organizations”, “Compensation of the Executive Committee: overview”, “Shareholdings of the members of the Executive Committee”, “Compensation of the Board of Directors: overview”, and “Shareholdings of the members of the Board of Directors” in the Compensation Report, the consolidated financial statements, the stand-alone financial statements and our auditor’s reports thereon.

Our opinion on the Compensation Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Compensation Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

audited financial information in the Compensation Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Board of Directors' Responsibilities for the Compensation Report**

The Board of Directors is responsible for the preparation of a Compensation Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Compensation Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

### **Auditor's Responsibilities for the Audit of the Compensation Report**

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Compensation Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Compensation Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG AG



Rolf Hauenstein  
Licensed Audit Expert  
Auditor in Charge



Miriam von Gunten  
Licensed Audit Expert

Zurich, February 26, 2025